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SUBJECT: MEDIA REACTION: FINANCIAL CRISIS, U.S.-CHINA RELATIONS

Editorial Quotes

11. FINANCIAL CRISIS

"Why does the U.S. save banks and discard cars?"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(11/26): "The U.S. Federal Government has agreed to rescue Citibank which is nearing bankruptcy. The nature of this move makes all the people in the country pay the bill for the bank's mistakes. A rescue plan for the three giant car companies in America was just suspended. The U.S. government saves banks and neglects cars. The U.S. is rebuilding confidence in the financial system and big American financial institutes. It wants to show the public that the government is willing and capable of protecting American tax-payers and the American economy. Citibank is one of the most commonly seen brands in the World. The U.S. can not afford to loose it. Second, Citibank is a strong U.S. financial brand. Third, the car industry's bankruptcy can not be solved over night, it is not as urgent as the bankruptcy of Citibank, it requires long term efforts. It's still unknown whether or not the U.S. government's funding can fill the deep hole left by Citibank. What can the U.S. government do if other companies imitate Citibank and ask for help?"

12. U.S.-CHINA RELATIONS

a. "How will Obama's team treat China?"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(11/26): "At the beginning of the Clinton and the Bush 43 presidencies, China had a difficult time; because of this history, China is wondering how the Obama presidency will regard the country. If Obama wants to be a great president who will conquer the financial crisis, he has to make use of China's strength. Many people optimistically predict that U.S.-China relations will have a smooth opening when Obama takes office. Chinese experts indicate that in 2000 the U.S. GDP was 10 times that of China and now it has decreased to 4 times. The capabilities of the U.S. in defining U.S.-China relations unilaterally have decreased. Chinese experts also indicate that Obama's economic team has adopted a rational attitude on the trade issue with China. U.S.-China economic and trade conflicts have continuously been triggered in the past several years. The trade imbalance is the 'thorn in the heal' of the U.S. However, China should be more vigilant about their labor standards issues. Currently, the feasibility of the U.S. taking a tough attitude on China has been restricted. China can calmly deal with the new administration."

b. "What factors will change the U.S. strategy on China?"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(11/26): "The foreign and domestic environment will influence the U.S.-China strategy. First, the global environment influences strategies; second, the content of the

bilateral relations between the U.S. and China; thirdly, the critical factor is the U.S. government's policy on China. The U.S.'s China strategy is a part of its global strategy. To look at the future of the U.S.-China relationship, one should also look at the U.S.'s definition of its role. First, on economics, the U.S. may form a 'two-country group' with China; however on politics, the U.S. expects to include China in the group conducted by the U.S.; second, the U.S. is always vigilant as to whether China will challenge it. ...Strength, comparison, and future emergencies will be considered when predicting the future of U.S.-China relations. Some sensitive emergencies may influence the relations in an unexpected way, like the Taiwan issue."

RANDT